

Board of Directors Meeting MinutesTuesday, November 16th, 2021

The meeting was opened at 6:00 PM on Zoom by Kathy Winger, Council President. A quorum was present.

Attendance:

Executive Board members attending: Robert Bernheim, Frank Bouchard, Becky Chambers, Jack Clements, Joe Daniszewski, Jean DiMaria, Todd Jaeger, Kevin Kinghorn, Jonathan Lang, Clint Liechty, William Mills, Steve Odenkirk, Don Riegger Jr, Robert Sommerfeld, Jim Tarleton, and Kathy Winger.

Excused: Joyce Contrades, John Mead, Joe Winfield

Guests: Lou Salute – Council Advisory Board Chair and Co-Chair Council Gala

Staff: Jeff Hotchkiss, Dan Rowland, Dustin Shoemake and Tracey Smalling

Summary of Action:

- I. Approval of September 21st Board of Directors and October 19th 2021 Executive Committee minutes as well as written reports received – Lang moved, Chambers seconded. **Approved.****

- II. Treasurer's Report** -Don Riegger, Council Treasurer, reported:

The primary support event in October came with official forgiveness of the PPP2 debt and related interest of \$121,141. With the government income, the council ended October with a surplus of nearly \$100,000. However, without this extraordinary item, the actual October operating deficit was (\$22,000).

Other support was about \$47,000, off budget by nearly \$10,000, led by \$15,350 from Sportsmen Fund camp scholarship reimbursements. Popcorn revenue, at just over \$6,000, fell off after a strong start.

Expenses continue to be moderate at \$69,000, beating budget by \$14,000 for the month and at \$640,000 year-to-date are below budget by \$133,000. With additional staff and a national plan adjustment, benefits costs are one of the only expense line items tracking over budget. Year-to-date revenue and support, at \$633,000 is \$35,000 over budget but would have been off budget by about \$92,500 without government aid.

The bulk of the shortfall is weak Friends of Scouting which at \$81,000 is off budget 42% or nearly \$60,000! The year-to-date deficit now stands at (\$7,500). Without the extraordinary item yearto-date the deficit would be about (\$135,500), but \$41,000 ahead of budget.

Enterprise value remains strong at \$3,846,000, well ahead of last year's value with plenty of capacity to fund the bankruptcy settlement in Q1 – 2022. Interfund line of credit now stands at \$133,997, \$50,083 related to 2021 operations. Total government pandemic aid received now exceeds \$260,000 with an additional \$160,000 in low-cost loans and tax deferrals. Additional support in the Employee Retention Tax Credit (ERTC) of nearly \$150,000 is in process but is not expected to be received until mid to late 2022.

Finishing the year strong is extremely important to help stabilize the council's financial position going into 2022. The successful gala earlier in November is a great start but product sales, year-end giving, and a strong launch of 2022 FOS are critical.

The board, in addition to fundraising, should focus on further financial stabilization and improving the overall financial operations of the council. Cash flow and negative net assets in the Operating Fund remain primary concerns.

Moved to accept October Financials and report by Mills, seconded by Sommerfeld. **Approved.**

III. Discussion of the negative net assets in the operating fund.

What are the primary financial challenges?

1. Past – Operating Negative Net Assets (\$288,000) at 10/31/21
2. Current – Setting up a 'prudent reserve' in Operating Cash
 - BSA Metric: currently at .51 vs. need of 1.33 (~\$200-230,000)
3. Future –
 - Getting operations back to break even
 - Funding Critical Camp Improvements

Options and Solutions – Net Assets and Cash

- Surpluses!
 - Operations and Fundraising
- Transfer from Capital Fund
 - Sale of Capital Assets to raise cash – Scout Office sole option
- Transfer from Endowment Fund
 - Line of credit plus cash,
 - EIDL liability transfer or payoff (possible?)
- Some combination of above:
 - Release line of credit (\$123,000 to \$175,000)
 - Earmark Expected Tax Refunds - \$106,000
 - Fundraise to drive surpluses over x years - \$60,000

After a good discussion with concerns expressed about not making a habit of endowment assets bailout for operating needs the sense of the Board was to move forward with a combination of the above solutions to begin to square our operating budget.

IV. Approval of Credit line pay off

It was moved that management be allowed to pay off up to \$150,000 of the line of credit using endowment assets.

Moved by Odenkirk, seconded by Mills. After further discussion. **Approved.**

V. Reports and updates:**A. Development update –**

- Campfires & Candlelight Gala – Lou Salute reported on our over goal success. He thanked all who participated and helped. He also acknowledged the great work of his committee and staff advisor Tracey Smalling.
- 2022 Friends of Scouting Kick-off – SE Hotchkiss challenged all to help our Council next year's campaign by leading the way with their pledge for 2022. The staff has kicked-off their campaign and raised over \$8,000 to set the pace.

B. Property Insurance increase – Board member Jack Clements informed the Board of a recent meeting with our insurance broker to discuss this surprise increase, almost double (+\$20K) for the coming year. A variety of factors lead to a much less competitive insurance market from which we could choose.

C. Properties Update – Steve Odenkirk reported

- Camp Strategic Planning group is drafting a new plan for our facilities, and a long range budget.
- Double V Scout Ranch
 - ABA & Unit workday set for December 4th, all our welcome

D. Commissioner Update – Jonathan Lang

- Discussion of potential resolution requiring annual renewal of youth protection training for all registered adults. After much discussion the resolution was not adopted.

E. Board of Director's retreat – Kathy Winger

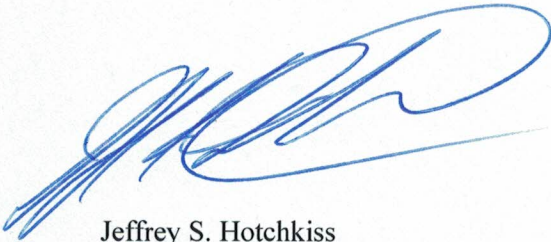
- Plans are set for a Friday afternoon lunch and retreat on January 21st, 2022, at the Noble Hops restaurant on Alvernon Way. More information to follow.

VI. Scout Executive's minute - SE Hotchkiss wished all a great Thanksgiving.

VII. Adjourned at 7:51 pm.

Respectfully submitted,

Approved,



Jeffrey S. Hotchkiss
Scout Executive/Secretary



Kathy Winger
Council President

Our next meeting is Friday, January 21st at Noon
Noble Hops restaurant, 445 S Alvernon Way, Tucson